

# SENATE RECORD VOTE ANALYSIS

104th Congress  
1st Session

Vote No. 171

May 17, 1995, 12:39 p.m.  
Page S-6784 Temp. Record

## WHITEWATER SPECIAL COMMITTEE/Passage

**SUBJECT:** Establishing a Special Committee to investigate the Whitewater Development Corporation and other matters . . . S. Res. 120. Passage.

### ACTION: RESOLUTION AGREED TO, 96-3

**SYNOPSIS:** S. Res. 120, a resolution establishing a special committee to investigate the Whitewater Development Corporation and other matters, will create a special committee, composed of all Banking Committee Members and the Chairman and Ranking Member of the Judiciary Committee, to investigate various aspects of the Whitewater affair. The special committee will look into the following:

- Conduct of the White House staff in handling documents of White House Counsel Vincent Foster after his death;
- whether the White House, Justice Department, or others improperly handled documents from and contacts with the Resolution Trust Corporation (RTC) regarding Madison Guaranty Savings and Loan Corporation or Whitewater Development Corporation, including criminal referrals;
- whether or not RTC employees were improperly restrained from making enforcement recommendations relating to Madison Guaranty or Whitewater;
- whether the Office of Government Ethics' report of July 31, 1994, and deposition transcripts were improperly used to influence the testimony of Clinton Administration officials or others in the Whitewater Hearings last summer;
- the operations, solvency, and regulation of Madison Guaranty;
- the activities, investments, and tax liability of Whitewater Development Corporation and its officers, directors, and shareholders;
- the legal representation of the RTC and Federal banking agencies with respect to Madison Guaranty;
- the handling by the RTC, Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Federal Savings and Loan Insurance Corporation of civil or administrative actions against parties regarding Madison;
- the operation of Capital Management Services, Inc., including any alleged diversion of funds to Whitewater;

(See other side)

| YEAS (96)                  |            |                          |               | NAYS (3)                 |                        | NOT VOTING (1)     |                       |
|----------------------------|------------|--------------------------|---------------|--------------------------|------------------------|--------------------|-----------------------|
| Republican<br>(54 or 100%) |            | Democrats<br>(42 or 93%) |               | Republicans<br>(0 or 0%) | Democrats<br>(3 or 7%) | Republicans<br>(0) | Democrats<br>(1)      |
| Abraham                    | Hutchison  | Akaka                    | Inouye        |                          | Bingaman               |                    | Kennedy- <sup>2</sup> |
| Ashcroft                   | Inhofe     | Baucus                   | Johnston      |                          | Glenn                  |                    |                       |
| Bennett                    | Jeffords   | Biden                    | Kerrey        |                          | Simon                  |                    |                       |
| Bond                       | Kassebaum  | Boxer                    | Kerry         |                          |                        |                    |                       |
| Brown                      | Kempthorne | Bradley                  | Kohl          |                          |                        |                    |                       |
| Burns                      | Kyl        | Breaux                   | Lautenberg    |                          |                        |                    |                       |
| Campbell                   | Lott       | Bryan                    | Leahy         |                          |                        |                    |                       |
| Chafee                     | Lugar      | Bumpers                  | Levin         |                          |                        |                    |                       |
| Coats                      | Mack       | Byrd                     | Lieberman     |                          |                        |                    |                       |
| Cochran                    | McCain     | Conrad                   | Mikulski      |                          |                        |                    |                       |
| Cohen                      | McConnell  | Daschle                  | Moseley-Braun |                          |                        |                    |                       |
| Coverdell                  | Murkowski  | Dodd                     | Moynihan      |                          |                        |                    |                       |
| Craig                      | Nickles    | Dorgan                   | Murray        |                          |                        |                    |                       |
| D'Amato                    | Packwood   | Exon                     | Nunn          |                          |                        |                    |                       |
| DeWine                     | Pressler   | Feingold                 | Pell          |                          |                        |                    |                       |
| Dole                       | Roth       | Feinstein                | Pryor         |                          |                        |                    |                       |
| Domenici                   | Santorum   | Ford                     | Reid          |                          |                        |                    |                       |
| Faircloth                  | Shelby     | Graham                   | Robb          |                          |                        |                    |                       |
| Frist                      | Simpson    | Harkin                   | Rockefeller   |                          |                        |                    |                       |
| Gorton                     | Smith      | Heflin                   | Sarbanes      |                          |                        |                    |                       |
| Gramm                      | Snowe      | Hollings                 | Wellstone     |                          |                        |                    |                       |
| Grams                      | Specter    |                          |               |                          |                        |                    |                       |
| Grassley                   | Stevens    |                          |               |                          |                        |                    |                       |
| Gregg                      | Thomas     |                          |               |                          |                        |                    |                       |
| Hatch                      | Thompson   |                          |               |                          |                        |                    |                       |
| Hatfield                   | Thurmond   |                          |               |                          |                        |                    |                       |
| Helms                      | Warner     |                          |               |                          |                        |                    |                       |

#### EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

#### SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

- the bond underwriting contracts between the Arkansas Development Finance Authority and Lasater & Company; and
- the lending activities of Perry County Bank in connection with the 1990 Arkansas gubernatorial election.

The special committee: will have subpoena power for witnesses, documents, and physical evidence; will be permitted to hire staff; will be permitted to meet during sessions, recesses, and adjournment periods; will have authority to take depositions; and will be permitted to hold hearings. It will be also able to immunize witnesses unless the independent counsel informs it in writing that immunizing a witness would interfere with his ability to prosecute criminal violations.

The special committee will coordinate its activities with the Whitewater Independent Counsel's investigation. A total of \$950,000 will be provided to fund the committee through February 29, 1996. The special committee will make every reasonable effort to complete the investigation by February 1, 1996.

**Those favoring final passage contended:**

The American people have a right to know the full facts about Whitewater and related matters. Congress has the responsibility to make sure they get those facts. The allegations are serious, and many of them involve high government officials, including the President. A democracy cannot be strong without the public's trust, and the public's trust is weakened when it hears of serious allegations but does not have the opportunity to weigh them. We are confident that the ongoing investigation by Independent Counsel Starr will eventually expose any criminal or civil wrongdoing that has occurred, if any, and will result in the appropriate punishment for guilty individuals. However, in the interim, his investigation will only fuel public concern, not lessen it. Accordingly, Congress needs to hold public hearings.

The Whitewater Development Corporation (which was owned by Jim McDougal and then-Governor Clinton and Mrs. Clinton), and Madison Guaranty (a Little Rock, Arkansas savings and loan), are at the center of a tangled web of allegations. Madison Guaranty went bankrupt, costing the United States' taxpayers \$50 million. This bankruptcy has so far led to two sets of criminal referrals, an ongoing civil liability investigation by the Resolution Trust Corporation (RTC), a potential conflict of interest case for the First Lady's former law firm, a conviction of a Little Rock judge who improperly loaned Small Business Administration money to McDougal and the Whitewater Corporation, and several other recent guilty plea agreements. Numerous unanswered questions have been raised by these ongoing investigations. Some of those questions were answered by the limited Whitewater hearing that the Banking Committee held last summer. That hearing, which all Members agree was fair and impartial, led to revelations that White House officials mishandled confidential law enforcement information concerning Madison Guaranty, and that certain top Administration officials were not fully candid with Congress.

Though some questions were answered by that hearing, many more questions remain. Those questions include the following:

- Who searched Deputy White House Counsel Vincent Foster's office on the night of his death?
- What were they looking for?
- What happened to Mr. Foster's papers?
- Were any papers lost or destroyed?
- Who authorized the transfer of Mr. Foster's Whitewater file to a closet in the First Family's residence?
- Did Administration officials inform targets of criminal investigations of confidential law enforcement information concerning Madison Guaranty?
- Were there any improper contacts between the Clinton White House and the Justice Department regarding Madison Guaranty?
- Did Mr. Hubbell, who was the third-highest official at the Justice Department before pleading guilty to mail fraud and tax evasion, contact Paula Casey, the U.S. Attorney in Little Rock, before she declined to pursue a criminal referral involving Madison?
- Did Washington officials interfere improperly with RTC staff in Kansas City who were responsible for investigating wrongdoing at Madison Guaranty, and if so, who authorized that interference and why?
- Were transcripts that were taken by the Treasury inspector general used to coach Administration witnesses who testified at last summer's Whitewater hearing (last summer's hearing revealed that those transcripts had been obtained by the White House at the White House counsel's request)?
- Did James McDougal, Madison's chairman and then-Governor Clinton's business partner, improperly divert Madison's funds to himself and others?
- Did any of this money find its way into the Whitewater Development Corporation?
- Were Madison funds used to pay losses that the First Family incurred from the Whitewater Corporation?
- Was there a conflict of interest in the First Lady's law firm representing both Madison Guaranty and the RTC civil claims concerning Madison Guaranty?
- Did President Clinton pressure Mr. Hale, a former judge and the former president of Capital Management Services, to arrange Small Business Administration loans to prop up Madison Guaranty, as Mr. Hale has charged?
- Did Mr. Hale also make improper Small Business Administration loans to current Arkansas Governor Jim Guy Tucker?
- Who directed Neal Ainley in 1990 to violate Federal laws in contributing cash to the Clinton for Governor campaign, and why (Mr. Ainley has pled guilty to those violations)?

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These questions are not exhaustive; they are illustrative of the type of questions which need to be answered. Senators who have raised questions about areas that are not specifically mentioned in the text of this resolution should be aware that those questions, if they are truly related to this inquiry, are proper subjects to be raised during the hearings.

We are pleased that all Senators have worked in a bipartisan fashion to develop this resolution. By fully airing these allegations, we are confident that these hearings will improve the American people's trust in their Federal Government.

**While favoring passage,** some Senators expressed the following reservations:

Argument 1:

This resolution is good, but it could have been better. For example, we think it would have been appropriate to call for a specific investigation into Mrs. Clinton's bond trading, about which many serious questions have been raised. However, we are pleased that this set of hearings has not been tightly circumscribed, and accordingly will vote in its favor.

Argument 2:

Open, thorough congressional hearings are needed. Too many wild allegations are swirling about, unfairly tarnishing the reputations of decent, honorable public servants, including the President himself. We have two concerns regarding this matter, however. First, we think that some Senators have been too quick to mention individuals by name. Loose allegations can destroy reputations; we hope that Senators will be more restrained in the future. Second, we are concerned with the cost and scope of the independent counsel's investigation. In our opinion, his inquiry should stay focused on Madison and the Whitewater Development Corporation. However, on the basis of some of the recent indictments, it appears that any activity of any person who has ever known the President or First Lady is under investigation. With such a wide sweep, this investigation will never end. We think this broad investigation is inappropriate. These reservations aside, though, we are pleased to vote for this bipartisan resolution.

**No arguments were expressed in opposition to passage.**